



Cash as Payment for Health Coverage

By Melody Lashmar, Executive Vice President of FirsTech



The [Affordable Care Act](#) (ACA) provides people in the U.S., who previously were unable to afford healthcare, access to care. Regardless of your feelings of the law, it has greater implications for healthcare providers than simply different rate structures.

With the implementation of the ACA, a new consumer group emerged—one more impoverished than previous definable groups, which historically did not have access to services provided by the ACA. Many of these consumers are “[underbanked](#)” and “[unbanked](#)” in America. An unbanked consumer does not maintain a bank account, whereas an underbanked consumer may have a bank relationship but also uses alternative financial services outside the banking system. A 2013 study by the [Federal Deposit Insurance Corporation](#), or FDIC, reveals the size of the unbanked population is roughly 7.7 percent of U.S. households or 9.6 million households. Compare that to 24.8 million or 20 percent of underbanked households.

When it comes to making payments, the underbanked and the unbanked have different needs from the traditional healthcare consumer. When a consumer is unbanked or underbanked, how do they choose to pay for their services? For most, payments are made through cash and cash-like products, such as money orders.

How can a healthcare insurance provider accept cash for this new consumer group’s coverage? This problem has been solved for other industries, such as utilities and telecommunications. The solution is to utilize payment networks based on cash-based consumer groups. In many cases, these consumers are new to remitting payments for healthcare.

FirsTech manages an agent base of approximately 4,000 agents throughout the U.S. These agents take cash and cash-equivalent payments through a FirsTech platform. The payments are then transmitted in aggregate to the billers daily.

By partnering with FirsTech for your payment needs, you will:

- gain access to this secure, existing and proven agent network which already accepts cash or cash-equivalent payments for other companies;
- have one guaranteed payment delivered to your bank account daily—representing all the payments received that day;
- have real-time notification the payments are entered into the system but are not yet deposited to your account;

- employ the experience of FirsTech in reducing payment exceptions in the back office while increasing your electronic payments; and
- be able to receive payments for new or existing policies.

All of these benefits are at no cost to the healthcare billing organization. This agent network is compensated through convenience fees charged at the time of payment.

To learn more how FirsTech can help you serve this demographic of consumers, call us today at 1.800.800.1592 or email sales@firstechinc.com.

